From: GOVERNING: The Week in Public Finance
To: Carlton, M.Catherine
Subject: Bad Balancing Acts, Best Taxpayer ROI and Double Taxation
Date: Friday, March 31, 2017 8:32:35 AM

View Newsletter in Browser

Governing: The Week in Public Finance

Subscribe to Governing Magazine & Newsletters
Follow us on Facebook / Twitter / LinkedIn

Bad Balancing Acts, Best Taxpayer ROI and Double Taxation

BY LIZ FARMER

New Jersey's pension problems and Illinois' lack of a budget continue to dog their reputation in the eyes of creditors.

In New Jersey, Moody's downgraded the Garden State one-notch this week to A3, citing the state's "significant pension underfunding, including growth in the state's large long-term liabilities, a persistent structural imbalance and weak fund balances."

It's the 11th downgrade by a credit rating agency during Gov. Chris Christie's more than seven years in office. Overall, New Jersey's credit rating has fallen four notches under Christie's watch, from what's considered high investment grade to borderline medium grade. Meanwhile, the state's unfunded pension liability has climbed to $136 billion, which mean it has less than half of what it needs to pay its retirees down the road.

For its part, Illinois is the only state rated lower than New Jersey. It holds a BBB rating -- just two steps above junk bond status. It has also suffered multiple downgrades this decade after being reasonably stable in the 2000s. But the state's failure to pass a budget since Gov. Bruce Rauner took office in 2013 and went to battle with the legislature to curb spending has increased the pace of downgrades. With no serious truce in sight, municipal market analyst Matt Fabian warned this week that no formal budget in fiscal 2018 "could lead to a historic downgrade of the state below investment grade." **Keep Reading >>**

ADVERTISEMENT

Catalyzing Economic Success for Every Citizen

The Brookings Institution Deputy Director, Alan Berube, delves into how city leaders can combat the fractious effect of inequality for long-term sustainable economic growth. Learn the 3 key areas you should focus on. **READ MORE**

MORE FINANCE NEWS & COMMENTARY

A Look at What's Driving (or Stunting) Income Growth in the States

Personal incomes rose overall last year -- but not as much as the year before and not at all in certain parts of the country.

Transportation Advocates to Trump: Where's the Money?

The president's budget proposal has many in the industry worried that he might break his promise to spend $1 trillion on infrastructure. **Plus: The Wrong Way to Pay for Our Roads and Bridges**

Not Just the NCAA Game: Transgender Bathroom Law Will Cost North Carolina $3.76 Billion

The Associated Press analysis -- compiled through interviews and public records requests -- represents the largest reckoning yet of how much the law, passed one year ago, could cost the state.

New Jersey's Credit Surpasses Its Own Worst Record in U.S.

Wall Street has downgraded New Jersey's credit rating once again, renewing warnings about the state's poorly managed budget and ailing pension system for public workers.

Failed Health Bill Fuels New Momentum for Expanding Medicaid

In the days since Republicans killed their health-care plan, support for one of Obamacare's central policies has grown in states where the GOP has stunted it for years.

Sanctuary Cities Get Another Funding Warning From the White House

U.S. Attorney General Jeff Sessions said cities and states that don't comply with federal immigration laws risk losing their shares of $4.1 billion in Justice Department grants.

ENJOY THIS NEWSLETTER?

Governing has 10 others delivering news and commentary on a wide range of topics straight to your inbox.

SUBSCRIBE FOR FREE TODAY

This email was sent to ccarlton@menlopark.org.
Unsubscribe | Opt out of all e.Republic email | Privacy Statement
© 2017 e.Republic. All rights reserved. 100 Blue Ravine Rd, Folsom, CA 95630, USA. Phone: 916-932-1300